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HUISHENG INTERNATIONAL HOLDINGS LIMITED

惠生國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1340)

PROFIT WARNING

This announcement is made by Huisheng International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) of Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company and potential investors that based on information that is currently available, the Group is expected to record a substantial increase in loss for the year ended 31 December 2018 as compared to that in the last year which is mainly resulted from the (i) decrease in revenue, (ii) write-off of biological assets, (iii) write-off of inventories and (iv) provision of an impairment of property, plant and equipment. The reason for such increase in loss is due to the decrease in sales and revenue as a result of the decrease in demand for pork. The seizure of our slaughterhouse in Changde City and the quarantine orders received by two breeding farms of our Group in Taoyuan County, caused a smaller slaughtering volume of the hogs, due to the outbreak of the African Swine Fever (“**ASF**”) in PRC. The two breeding farms of our Group were ordered to kill all the hogs and clear all the inventories located in these two breeding farms and thus the Company incurred write-off of biological assets of approximately RMB33 million and write-off of inventories of approximately RMB32 million respectively for the year ended 31 December 2018. Details of the effects on our slaughterhouse and breeding farms are set out in the voluntary announcement dated 7 November 2018.

In view of the serious effect brought by the ASF to the slaughtering volume and sales volume of the pork, the Company has prudently assessed and reviewed its impact on the future operations of the Company and has cautiously lowered the business projection of the Company and made a provision of impairment of the property, plant and equipment of the Group in the amount of approximately RMB208 million for the year ended 31 December 2018, due to the high degree of uncertainty on the ASF outbreaks in PRC.

The Company is still in the process of finalising the Group's financial information for the year ended 31 December 2018. This profit warning announcement is only based on the preliminary assessment by the Board with reference to the information currently available, which has not been audited or confirmed by the Company's auditors and may be subject to changes and adjustments. The actual financial results of the Group for the year ended 31 December 2018 may be varied to the estimation of this announcement. Further details of the Group's financial results and performance for the year ended 31 December 2018 will be disclosed in the 2018 annual results announcement of the Company which is expected to be published on or about 27 March 2019.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Huisheng International Holdings Limited
Chan Chi Ching
Executive Director

Hong Kong, 22 March 2019

As at the date of this announcement, the Board comprises Mr. Chan Chi Ching, Ms. Lam Ka Lee, Dr. Liu Ta-pei and Mr. Suen Man Fung as executive directors; and Mr. Chan Hin Hang, Mr. Wong King Shiu, Daniel, and Mr. Wong Yuk Lun, Alan as independent non-executive directors.